



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

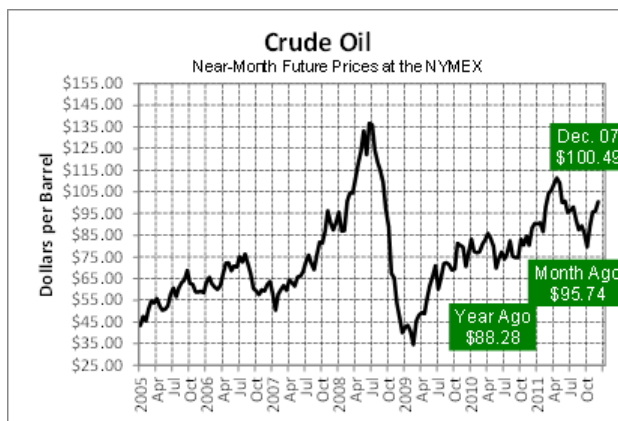
Dec. 9, 2011

Crude Oil

U.S. crude oil prices increased \$4.75, breaking \$100 per barrel in the past month and stand 14 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>12-07-11</u>	<u>11-09-11</u>	<u>change</u>	<u>12-08-10</u>	<u>change</u>
NYMEX	\$100.49	\$95.74	up 5%	\$88.28	up 14%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Jan. delivery ended \$4.75, or 5 percent, higher on Dec. 7 to close at \$100.49 per barrel, as U.S. refiners shed crude stocks before the end of the calendar year to avoid tax liabilities and on very soft consumer fuel demand.
- Analysts had expected an increase in crude oil prices. Futures on Dec. 7 rose after the US, the UK and Canada expanded measures aimed at thwarting Iran's nuclear program. In Egypt, protesters gathered in Tahrir Square for a 5th day after deadly clashes between security forces and demonstrators spurred the Cabinet to offer to quit. The US, UK and Canada targeted Iran's central bank and oil industry with sanctions aimed at cutting the regime off from international financial transactions. The actions are in response to a United Nations' atomic agency report concluding that previous efforts have not stopped the regime from clandestine nuclear-bomb work. The new sanctions target companies that provide goods or services to Iran's oil and natural gas industries. Clashes in Cairo in the past week have left at



least 25 people dead in some of the deadliest violence since the uprising against Mubarak in Jan. and Feb.

- About 2.5 percent of global oil output moves through Egypt via the Suez Canal and the adjacent Suez-Mediterranean pipeline. Prices pared gains in intraday trading after a government report showed the US economy expanded less than previously estimated in the 3rd quarter. Gross domestic product climbed at a 2 percent annual rate, down from a 2.5 percent prior estimate, revised Commerce Department figures showed.

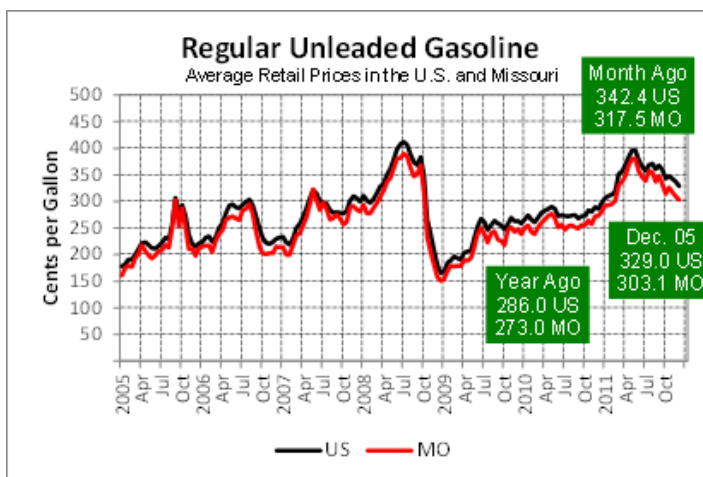
- Compared to this time last year, the U.S. crude oil futures settlement price of \$88.24 is \$12.21, or 14 percent, higher.
- Crude oil stocks fell by 2 million barrels between Nov. 4 and Dec. 2, 2011, a decrease of 1 percent. Crude oil stocks fell by nearly 20 million barrels, or 6 percent, compared to the similar period last year.
- According to the Dec. 7 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 1.4 MMB to 336.1 for the week ending December 2. U.S. crude supplies are now 19.8 MMB lower than at this time last year. Since Jan., 2009 total stocks of crude oil have been this low for ten of the past 69 weeks.
- Crude imports for the week ending Dec. 2 were 8.8 MMB/D, an increase of nearly 0.2 MMB from the prior week. Imports at this time last year averaged 8.6 MMB/D. Crude oil inventories represent 22.7 days of forward cover compared to 23.3 days at this time last year.
- U.S. refinery crude runs were up 228,000 barrels per day with refiners processing 14.8 MMB/D of crude for the week ended Dec. 2. U.S. refinery capacity for the week ending Dec. 2 was 87.7 percent, up 3.1 percent from the prior week and 0.2 percent higher than this time last year.
- Gasoline output increased by 0.85% on the week as refiners drew down existing crude stocks. Gasoline output is up 0.78 MMB/D compared to last week and up 0.2 MMB/D compared to last year at this time. Distillate output increased at 0.018 MMB/D for the week ending Dec. 2 and stands 0.4 MMB/D higher compared to the production level at this time last year.

Transportation Fuels

On Dec. 5, Missouri's statewide average retail price for gasoline was \$3.03 per gallon, down 14.4 cents or 5 percent in the past month.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-05-11</u>	<u>11-07-11</u>	<u>change</u>	<u>12-06-10</u>	<u>change</u>
US	329.0	342.4	down 4%	286.0	up 15%
Missouri	303.1	317.5	down 5%	273.0	up 11%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-05-11</u>	<u>11-07-11</u>	<u>change</u>	<u>12-06-10</u>	<u>change</u>
US	393.1	388.7	up 1%	319.7	up 23%
Missouri	375.8	376.7	down 0%	293.2	up 28%

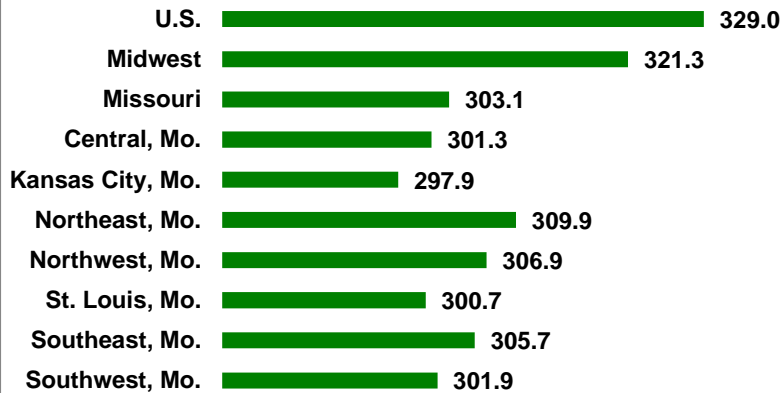


- On Dec. 5, Missouri's average retail price for gasoline was \$3.03, a decrease of 14.4 cents in the past month. The average price for diesel fuel fell by 0.9 cents in the past month. Compared to the first week in Dec., 2011 Missouri's average retail gasoline price is \$0.30 or 11 percent higher, while the average diesel fuel price is \$0.82, or 11 percent, higher

for the comparable period in Nov. 2010.

Regular Unleaded Gasoline

Average Retail Prices in the U.S., Midwest,
Missouri and Missouri Regions
December 05, 2011 Fuel Data in Cents per Gallon

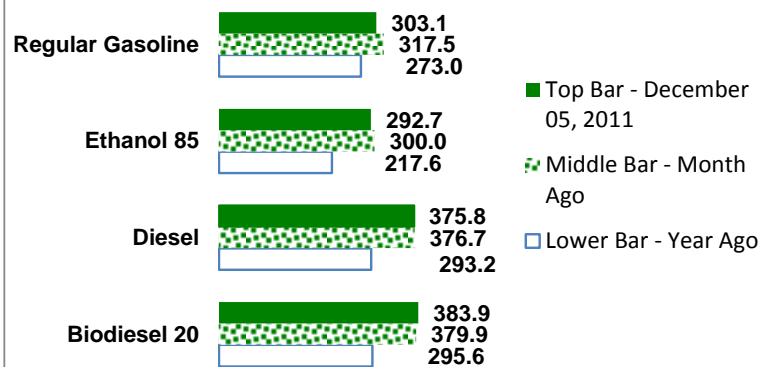


- The U.S. average price for regular gasoline was down by about 13 cents per gallon, or 4 percent compared to last month at \$3.29 per gallon. The U.S. average was about \$0.43 or 15 percent higher compared to this time last year.
- Gasoline imports increased to nearly 0.8 MMB/D for the week ending Dec. 2; about 201,000 barrels per day higher compared to the prior week, but 46,000 barrels per day lower than last year at this time.

- Implied demand for gasoline for the week of Dec. 2 is down by 24,000 barrels per day from the prior week and 295,000 barrels per day lower compared to this same period last year. In the past four weeks, U.S. gasoline demand has averaged about 8.6 MMB/D, 361,000 barrels per day lower compared to the same four-week period last year.
- The U.S. is unfamiliar with gasoline demand numbers that are barely above 8.6 MMB/D on a four-week average basis. In the same four weeks in 2010, gasoline demand averaged 8.967 MMB/D; in 2009 the number was 9.05 MMB/D; and in the deepest throes of the Great Recession in 2008, motorists managed to use 8.978 MMB/D.

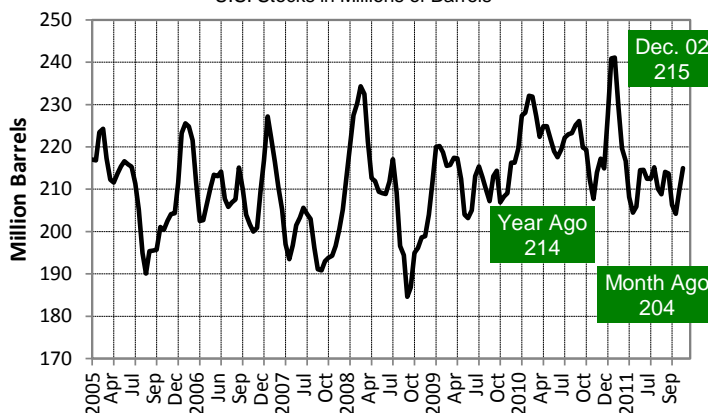
Transportation Fuels

Missouri Average Retail Prices
Cents per Gallon



Motor Gasoline

U.S. Stocks in Millions of Barrels



- U.S. gasoline supplies increased 10.8 MMB to 215 MMB for the week ending Dec. 2. Gasoline inventories represent 24.9 days of supply for the U.S. based on implied demand during the past four-week average. U.S. gasoline inventories are unchanged compared to this time last year and trend in the middle of the five-year average for this time of year.

- Distillate stocks decreased 2.5 MMB to 141 MMB and stand 19.2 MMB lower compared to the same period last year. Distillate demand was down to 3.9 MMB/D

for the week ending Dec. 2 but up 126,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 110,000 barrels per day compared to Nov. 25.

- On Dec. 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.93 per gallon, 11 cents or 3.7 percent lower than the average price for conventional motor gasoline.
- On Dec. 2, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.84 per gallon, 8.1 cents or 2 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's *Short Term Energy Outlook*, regular-grade gasoline retail prices have fallen by 52 cents per gallon from their peak monthly average this year of \$3.91 per gallon for May to \$3.38 per gallon for Nov. This drop in prices results from falling crude oil prices as well as the normal seasonal decline in consumption and the switch in production from summer-grade gasoline to lower-cost winter-grade gasoline. EIA projects gasoline retail prices to continue to decline, albeit slightly, through the end of the year.

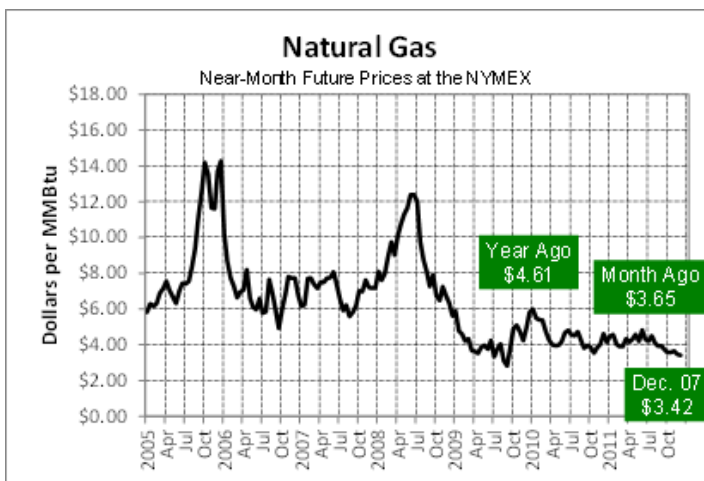
Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Dec. 7, natural gas futures closed at \$3.42 per MMBtu, down 23 cents from a month ago and down \$1.19 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>12-07-11</u>	<u>11-09-11</u>	<u>change</u>	<u>12-08-10</u>	<u>change</u>
NYMEX	\$3.42	\$3.65	down 6%	\$4.61	down 26%

- At the NYMEX, the Jan. 2012 contract during the trading week fell about 9.3 cents from \$3.457 per MMBtu on December 2 to \$3.373 per MMBtu on Dec. 9. The Feb. 2012 contract closed higher at \$3.407.



Report. U.S. natural gas supplies are 194 Bcf or 6.2 percent higher than last year at this time.

- Natural Gas stocks fell slightly, about 19 billion cubic feet less on Dec. 2 compared to Nov. 11. The relatively steady state in domestic stock is atypical for this time of year as warmer temperatures helped to abate demand for space heat as well as power generation.
- Working gas in storage as of Dec. 6 totaled 3,310 Bcf, 9.8 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage*

- According to EIA's *Short Term Energy Outlook* released Dec.6, 2011, Midwest households that heat with natural gas may realize a fall in natural gas expenditures by 0.7 percent to \$774 for the heating season based on a reduction in consumption of approximately 1.3 percent.

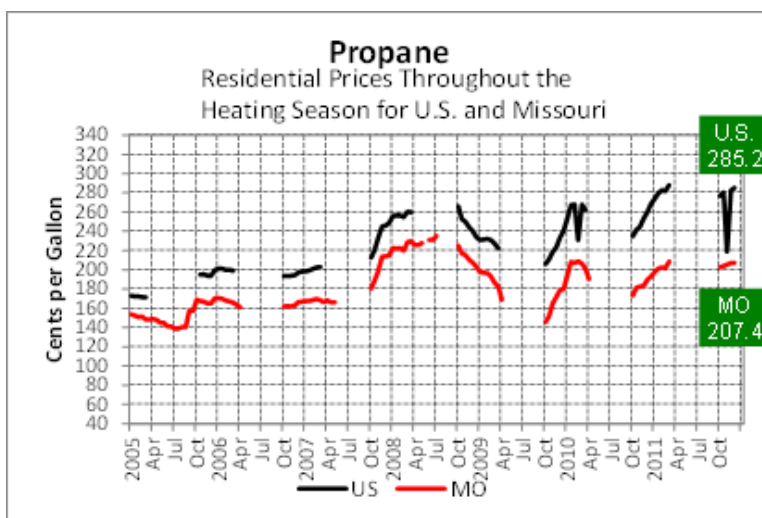
Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

On Dec. 5, the average Missouri retail price for residential propane was about \$2.07 per gallon, up 1.9 cents per gallon from last month and 10 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	12-05-11	11-07-11	change	12-06-10	change
Missouri	207.4	205.5	up 1%	189.4	up 10%

- According to the Division of Energy's statewide propane price survey conducted Dec. 5, retail residential propane prices were up by 1.9 cents from last month and stand 18 cents per gallon or 10 percent higher than last year at this time.
- According to the survey conducted, the highest Missouri retail residential price for propane was nearly \$2.70 per gallon while the lowest retail price was \$1.86 per gallon.



- For the week ending Dec. 2, U.S. inventories of propane decreased as total stocks were down 0.093 MMB to end at 59.7 MMB. Propane inventories are now 3.4 MMB lower compared to the same period last year.
- For the week ending Dec. 2, Midwest propane inventories decreased 195,000 barrels. At 25.5 MMB, Midwest inventories are 2.4 MMB or about 9 percent lower than the 27.8 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook* released Dec.6, 2011, Midwest households that heat with propane may realize an increase in propane expenditures by 8.1 percent to \$1,817 for the heating season based on an increase in price of 9.5 percent to \$2.32 per gallon.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm